

POCKET #11.08-269 F08-269

CK# 0075887

CHESAPEAKE
UTILITIES

2008 SEP 2 PM 4:36

DELAWARE P.S.C.

9-2-08 1:28-8
Bruce
Karen
Candy
Norma
Susan
James

September 2, 2008

Ms. Karen J. Nickerson, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

RE: Chesapeake Utilities Corporation - Gas Sales Service Rates to be effective November 1, 2008

Dear Ms. Nickerson:

Enclosed for filing are an original and ten (10) copies of Chesapeake Utilities Corporation's ("Chesapeake") application for a proposed change in its Gas Sales Service Rates ("GSR") to be effective for service rendered on and after November 1, 2008.

Pursuant to the provisions of Chesapeake's GSR tariff clause, Chesapeake submits the following Gas Sales Service Rates to be effective for service rendered on and after November 1, 2008: \$1.466 per Ccf for customers served under rate schedules RS-1, RS-2, GS, MVS and LVS, \$1.231 per Ccf for customers served under rate schedules GLR and GLO, \$1.391 per Ccf for customers served under rate schedule HLFS. The Company also submits the following balancing rates to be effective for service rendered on and after November 1, 2008: \$0.060 per Ccf for transportation customers served under rate schedule LVS, and \$0.019 per Ccf for transportation customers served under rate schedule HLFS, and \$0.004 per Ccf for transportation customers served under the rate schedule ITS.

As compared to the rates that were in effect on August 1, 2008 (including the changes resulting from the Company's base rate proceeding), an average RS-2 customer using 700 Ccf per year will experience an annual increase of approximately 10% or \$11 per month. During the winter heating season, a typical customer on Chesapeake's system using 110 Ccf per month will experience an increase of approximately 10% or \$19 per winter month. An RS-2 customer using 120 Ccf per month will experience an increase of approximately 11% or \$21 per winter month.

Chesapeake Utilities Corporation

350 South Queen Street • Dover, Delaware 19904 • 302.734.6797 • 302.734.6010 / fax

www.chpkgas.com

Ms. Karen J. Nickerson
September 2, 2008
Page 2 of 2

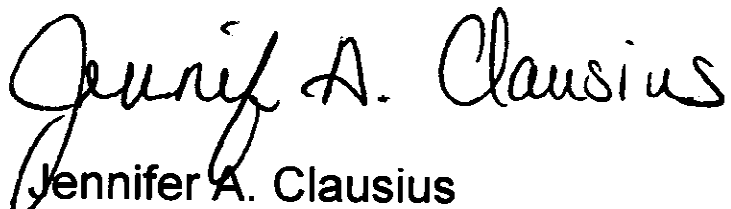
As compared to the rates that were in effect on November 1, 2007 (including the changes resulting from the Company's base rate proceeding), an average RS-2 customer using 700 Ccf per year will experience an annual increase of approximately 17% or \$17 per month. During the winter heating season, a typical customer on Chesapeake's system using 110 Ccf per month will experience an increase of approximately 17% or \$30 per winter month. An RS-2 customer using 120 Ccf per month will experience an increase of approximately 18% or \$33 per winter month.

The basis and reasons for the proposed changes are discussed and explained in the testimony and schedules accompanying the enclosed application.

Also, enclosed is the Delaware Public Service Commission's "Filing Cover Sheet" along with the application fee of \$100.00.

Should you have any questions with regard to this submission, please contact me at 302.736.7818.

Sincerely,



Jennifer A. Clausius
Manager of Pricing and Regulation

Enclosures

CC: William A. Denman, Esquire
G. Arthur Padmore
Janis Dillard (w/o enclosure)
Funmi I. Jegede (w/o enclosure)

For PSC Use Only:

Docket No. _____

Filing Date: _____

Reviewer: _____

Given to: _____

**DELAWARE PUBLIC SERVICE COMMISSION
FILING COVER SHEET**

1. NAME OF APPLICANT: Chesapeake Utilities Corporation

2. TYPE OF FILING: RATE CHANGE _____
FUEL ADJUSTMENT X
ADMINISTRATIVE _____
CPCN _____
NEW SERVICE OFFERING _____
OTHER _____

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED?
(PLEASE CHECK)

BASIC _____ COMPETITIVE _____ DISCRETIONARY _____

3. PROPOSED EFFECTIVE DATE: 11/01/2008

IS EXPEDITED TREATMENT REQUESTED? YES _____ NO X

4. SHORT SYNOPSIS OF FILING: Chesapeake Utilities Corporation proposes to change its GSR charges to be effective with service rendered on and after November 1, 2008.

5. DOES THIS FILING RELATE TO PENDING DOCKETS? YES _____ NO X

IF SO, PLEASE LIST DOCKET(S) NO(S):

6. IS PUBLIC NOTICE REQUIRED? YES X NO _____
IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. APPLICANT'S CONTACT PERSON: (NAME) Jennifer A. Clausius
(TITLE) Manager of Pricing and Regulation
(TELE. NO.) 302.736.7818
(FAX NO.) 302.734.6011

8. DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?

YES X NO _____ IF SO, WHEN? September 2, 2008

9. FILING FEE ENCLOSED: \$100.00
(AMOUNT)

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF
CHESAPEAKE UTILITIES CORPORATION
FOR APPROVAL OF A CHANGE IN ITS
GAS SALES SERVICE RATES ("GSR")
TO BE EFFECTIVE NOVEMBER 1, 2008

)
)
) P.S.C. DOCKET NO. 08-
)
)

CERTIFICATE OF SERVICE

I, Jennifer A. Clausius, do hereby certify that on September 2, 2008, a copy of Chesapeake Utilities Corporation – Delaware Division's application for a proposed change in its Gas Sales Service Rates to be effective for service rendered on and after November 1, 2008 was issued to the following persons in the manner indicated:

VIA HAND DELIVERY W/O ENCLOSURE

FUNMI I. JEGEDE
DELAWARE PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

VIA HAND DELIVERY

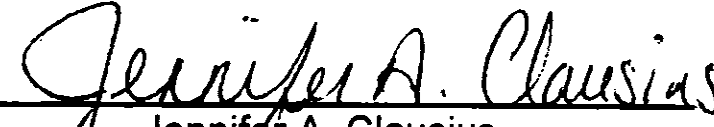
WILLIAM A. DENMAN, ESQUIRE
PARKOWSKI, GUERKE AND SWAYZE P.A.
116 WEST WATER STREET
P. O. BOX 598
DOVER, DELAWARE 19903

VIA OVERNIGHT DELIVERY

G. ARTHUR PADMORE, PUBLIC ADVOCATE
DIVISION OF THE PUBLIC ADVOCATE
820 N. FRENCH STREET, 4TH FLOOR
WILMINGTON, DE 19801

VIA HAND DELIVERY W/O ENCLOSURE

JANIS DILLARD
DELAWARE PUBLIC SERVICE COMMISSION
861 SILVER LAKE BLVD
CANNON BUILDING, SUITE 100
DOVER, DE 19904


Jennifer A. Clausius
Manager of Pricing and Regulation

"DRAFT"

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

**IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF A CHANGE IN ITS) PSC DOCKET NO. 08-
GAS SALES SERVICE RATES ("GSR"))
TO BE EFFECTIVE NOVEMBER 1, 2008)
(FILED SEPTEMBER 2, 2008))**

PUBLIC NOTICE

**TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES
CORPORATION AND ANY OTHER INTERESTED PERSONS**

Pursuant to 26 Del. C. §§303(b) and 304, Chesapeake Utilities Corporation has filed with the Delaware Public Service Commission ("the Commission") an application proposing to change its current Gas Sales Service Rates in the following manner: (1) increase the surcharge from \$1.217 per Ccf to \$1.466 per Ccf for customers served under rate schedules RS-1, RS-2, GS, MVS and LVS; (2) increase the surcharge from \$1.001 per Ccf to \$1.231 per Ccf for customers served under rate schedules GLR and GLO; (3) increase the surcharge from \$1.166 per Ccf to \$1.391 per Ccf for customers served under rate schedule HLFS; (4) increase the balancing rate from \$0.049 per Ccf to \$0.060 per Ccf for transportation customers served under rate schedule LVS; (5) decrease the balancing rate from \$0.022 per Ccf to \$0.019 per Ccf for transportation customers served under rate schedule HLFS and (6) decrease the balancing rate from \$0.005 per Ccf to \$0.004 per Ccf for transportation customers served under the rate schedule ITS.

At its meeting on _____, the Commission determined to allow the proposed changes to take effect on November 1, 2008 on a temporary basis, subject to refund, pending public evidentiary hearings which will be conducted upon due public notice. The Commission's actions on this matter will be based upon the evidence presented at such hearing(s).

Any person or group who wishes to formally participate as a party to this Docket (PSC Docket No. 08-____), must, in accordance with Rule 11 of the Commission's Rules of Practice, petition the Commission for and be granted leave to intervene in the proceedings in this docket. To be timely, all such petitions must be filed with the Delaware Public Service Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, DE 19904 on or before _____, 2008.

Petitions received thereafter will not be considered except for good cause shown.

Copies of Chesapeake's Application and the testimony and exhibits the Company has filed in this docket are available for public inspection at the Commission's office at the address set out above.

Any individual with disabilities who wishes to participate in these proceedings, or to review this tariff filing, should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephonically, by use of the Telecommunications Relay Service, or otherwise. Persons with questions concerning this matter may contact the Commission at its toll-free number (for calls made within Delaware) (800) 282-8574, or by regular telephone at (302) 736-7500.

APPLICATION

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

**IN THE MATTER OF THE APPLICATION OF)
CHESAPEAKE UTILITIES CORPORATION)
FOR APPROVAL OF A CHANGE IN ITS) P.S.C. DOCKET NO.
GAS SALES SERVICE RATES ("GSR"))
TO BE EFFECTIVE NOVEMBER 1, 2008)**

Chesapeake Utilities Corporation (hereinafter sometimes called "Applicant") pursuant to 26 Del. C. 303(b) and 304, makes the following application for approval by the Commission of a change in its Gas Sales Service Rates ("GSR") and balancing rates to be effective for service rendered on and after November 1, 2008:

1. Applicant is Chesapeake Utilities Corporation, 909 Silver Lake Boulevard, Dover, Delaware 19904. All communications should be addressed to the Applicant at the following address, Attention: Jennifer A. Clausius, Manager of Pricing and Regulation, 350 South Queen Street, P.O. Box 1769, Dover, Delaware 19903 or at the following e-mail address: jclausius@chpk.com. The respective phone number and fax number are 302.736.7818 and 302.734.6011. All communications should also be addressed to Michael D. Cassel, Senior Regulatory Analyst, 350 South Queen Street, P.O. Box 1769, Dover, Delaware 19903 or at the following e-mail address: mcassel@chpk.com. The respective phone number and fax number are 302.734.6797, extension 6747 and 302.734.6011.

2. Counsel for the Applicant is William A. Denman, Esquire, Parkowski, Guerke & Swayze P.A., 116 West Water Street, P.O. Box 598, Dover, Delaware 19903. Correspondence and other communications concerning this application

should be directed to counsel at the foregoing address, or at the following e-mail address: wdenman@pgslegal.com. The respective phone number and fax number are 302.678.3262 and 302.678.9415.

3. Pursuant to the provisions of Applicant's Gas Sales Service Rate tariff clause, Applicant requests permission to increase Applicant's current Gas Sales Service Rates from positive surcharges of \$1.217 per Ccf for customers served under rate schedules RS-1, RS-2, GS, MVS and LVS, \$1.001 per Ccf for customers served under rate schedules GLR and GLO, \$1.166 per Ccf for customers served under rate schedule HLFS, to positive surcharges of \$1.466 per Ccf, \$1.231 per Ccf and \$1.391 per Ccf respectively, said changes to be effective for service rendered on and after November 1, 2008 and thereafter until changed by further order of the Delaware Public Service Commission.

4. Applicant also requests permission to increase Applicant's firm balancing rate for transportation customers served under Rate Schedule Large Volume Service ("LVS") from \$0.049 per Ccf to \$0.060 per Ccf, decrease Applicant's firm balancing rate for transportation customers served under Rate Schedule "HLFS" from \$0.022 per Ccf to \$0.019 per Ccf, and decrease Applicant's interruptible balancing rate for transportation customers served under Rate Schedule "ITS" from \$0.005 per Ccf to \$0.004 per Ccf.

5. The full calculation of the proposed Gas Sales Service Rates is set forth in Schedule A.1 and the calculation of the balancing rates is set forth in Schedule J, which are attached to this Application. The reasons and basis for the proposed changes in Applicant's present Gas Sales Service Rates and balancing

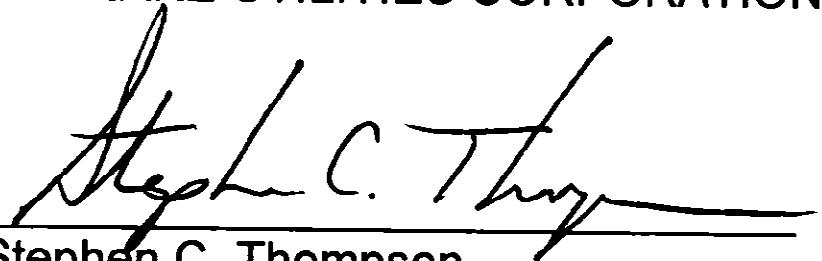
rates are more fully explained by direct testimony filed herewith.

WHEREFORE, the Applicant prays as follows:


- A. That the Commission file this Application and schedule it for hearing;
- B. That the Commission approve the proposed increase in Applicant's Gas Sales Service Rates to a positive surcharge of \$1.466 per Ccf for customers served under rate schedules RS-1, RS-2, GS, MVS and LVS, \$1.231 per Ccf for customers served under rate schedules GLR and GLO, \$1.391 per Ccf for customers served under rate schedule HLFS; and also approve the proposed increase in Applicant's firm balancing rate for transportation customers served under rate schedule LVS to a positive surcharge of \$0.060 per Ccf, approve the proposed decrease in Applicant's firm balancing rate for transportation customers served under rate schedule HLFS to a positive surcharge of \$0.019 per Ccf, and approve the proposed decrease in Applicant's interruptible balancing rate for transportation customers served under rate schedule ITS to a positive surcharge of \$0.004 per Ccf, all of said changes to be effective for service rendered on and after November 1, 2008.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

CHESAPEAKE UTILITIES CORPORATION

BY: 
Stephen C. Thompson
Senior Vice President

Parkowski, Guerke & Swayze P.A.

BY: 
William A. Denman
116 West Water Street
Dover, DE 19903
Attorney for Applicant

DATED: September 2, 2008

DATED: SEPTEMBER 2, 2008

STATE OF DELAWARE)
COUNTY OF KENT)

BE IT REMEMBERED that on this 2nd day of September 2008 personally appeared before me, a notary public for the State and County aforesaid, Stephen C. Thompson, who being by me duly sworn, did depose and say that he is Senior Vice President for Chesapeake Utilities Corporation, a Delaware corporation and insofar as the Application of Chesapeake Utilities Corporation states facts, said facts are true and correct, and insofar as those facts are not within his personal knowledge, he believes them to be true, and that the schedules accompanying this application and attached hereto are true and correct copies of the originals of the aforesaid schedules, and that he has executed this Application on behalf of the Company.


Stephen C. Thompson

SWORN TO AND SUBSCRIBED before me the day and year above written.


Cathy L. Harrington
Notary Public
My Commission Expires: 05-25-11


Chesapeake Utilities Corporation
Delaware Division
Development of Gas Sales Service Rates Effective November 1, 2008

Based on Total Firm Gas Costs Recoverable through GSR effective November 1, 2008

Description	Allocator	Total System Costs	Volume (Ccf)	Cost / Ccf
Fixed Gas Costs	Peak Day Capacity Entitlements	\$14,140,066	475,691	\$29.73
Variable Gas Costs	Annual Volume	\$49,094,790	42,690,022	\$1.150
Total Firm Gas Costs	Annual Volume	\$63,234,857	42,690,022	\$1.481

Development of High Load Factor Service Rates per CCF (54% Load Factor)

Description	Peak Day Cap. Method	System Average Cost	HLFS Average Rate
Demand Rate (\$29.73 / 197)	\$0.151		
Commodity Rate	\$1.150		
Total Gas Sales Service Rate	\$1.301	\$1.481	\$1.391
<u>Total High Load Factor and Seasonal Firm Dollars</u>			
	Projected Sales	Rate	Total Cost
	9,168,852	\$1.391	\$12,753,873

Development of Gas Lighting Rate per CCF (100% Load Factor)

Description	Peak Day Cap. Method
Demand Rate (\$29.73 / 365)	\$0.081
Commodity Rate	\$1.150
Total Gas Sales Service Rate	\$1.231

<u>Total Gas Lighting Dollars</u>		
Projected Sales	Rate	Total Cost
1,560	\$1.231	\$1,920

Development of RS1, RS2, GS, MVS, and LVS Rate per CCF

Description	Firm Gas Cost	Volume (CCF)	Rate per CCF	Margin Sharing Rate per CCF	Final Rate per CCF
Total System Gas Cost	\$63,234,857	42,690,022			
Less : Allocated to HLFS	\$12,753,873	9,168,852			
Less : Allocated to GL	\$1,920	1,560			
Total Remaining System	\$50,479,064	33,519,610	\$1.506	(\$0.040)	\$1.466

Chesapeake Utilities Corporation
Delaware Division
Transportation Balancing Services
Development of Firm Balancing Service Rate
Large Volume Service

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost 45.53% Design Day
@ Load Factor of	10%	37	\$127.1896	\$3.4376	\$1.5651
@ Load Factor of	20%	73	\$127.1896	\$1.7423	\$0.7933
@ Load Factor of	30%	110	\$127.1896	\$1.1563	\$0.5265
@ Load Factor of	40%	146	\$127.1896	\$0.8712	\$0.3967
@ Load Factor of	50%	183	\$127.1896	\$0.6950	\$0.3164
@ Load Factor of	60%	219	\$127.1896	\$0.5808	\$0.2644
@ Load Factor of	70%	256	\$127.1896	\$0.4968	\$0.2262
@ Load Factor of	80%	292	\$127.1896	\$0.4356	\$0.1983
@ Load Factor of	90%	329	\$127.1896	\$0.3866	\$0.1760
@ Load Factor of	100%	365	\$127.1896	\$0.3485	\$0.1587
Del. Div. Weighted Average	27.52%	100	\$127.1896	\$1.2719	\$0.5791

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0147	22.26%	\$0.0033

Development of Firm Balancing Service Rate				
Fixed Capacity Rate per DT			\$0.5791	
Variable Commodity Rate per DT			\$0.0033	
Total Firm Balancing Service Rate per DT			\$0.5824	
Total Firm Balancing Service Rate per Mcf			\$0.6028	
Total Firm Balancing Service Rate per Ccf			\$0.060	

Chesapeake Utilities Corporation
Delaware Division
Transportation Balancing Services
Development of Firm Balancing Service Rate
High Load Factor Service

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost 28.54% Design Day
@ Load Factor of	10%	37	\$127.1896	\$3.4376	\$0.9811
@ Load Factor of	20%	73	\$127.1896	\$1.7423	\$0.4973
@ Load Factor of	30%	110	\$127.1896	\$1.1563	\$0.3300
@ Load Factor of	40%	146	\$127.1896	\$0.8712	\$0.2486
@ Load Factor of	50%	183	\$127.1896	\$0.6950	\$0.1984
@ Load Factor of	60%	219	\$127.1896	\$0.5808	\$0.1658
@ Load Factor of	70%	256	\$127.1896	\$0.4968	\$0.1418
@ Load Factor of	80%	292	\$127.1896	\$0.4356	\$0.1243
@ Load Factor of	90%	329	\$127.1896	\$0.3866	\$0.1103
@ Load Factor of	100%	365	\$127.1896	\$0.3485	\$0.0995
Del. Div. Weighted Average	53.69%	196	\$127.1896	\$0.6489	\$0.1852

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0147	7.24%	\$0.0011

Development of Firm Balancing Service Rate				
Fixed Capacity Rate per DT			\$0.1852	
Variable Commodity Rate per DT			\$0.0011	
Total Firm Balancing Service Rate per DT			\$0.1863	
Total Firm Balancing Service Rate per Mcf			\$0.1928	
Total Firm Balancing Service Rate per Ccf			\$0.019	

Chesapeake Utilities Corporation
Delaware Division
Transportation Balancing Services
Development of Interruptible Balancing Service Rate
Interruptible Transportation Service

Fixed Gas Supply Cost	Annual Load Factor	Average Daily Load	Cost Per Gas Supply Entitlement	Average Cost per DT	Average Cost @ Use of 9.60%
@ Load Factor of	10%	37	\$127.1896	\$3.4376	
@ Load Factor of	20%	73	\$127.1896	\$1.7423	
@ Load Factor of	30%	110	\$127.1896	\$1.1563	
@ Load Factor of	40%	146	\$127.1896	\$0.8712	
@ Load Factor of	50%	183	\$127.1896	\$0.6950	
@ Load Factor of	60%	219	\$127.1896	\$0.5808	
@ Load Factor of	70%	256	\$127.1896	\$0.4968	
@ Load Factor of	80%	292	\$127.1896	\$0.4356	
@ Load Factor of	90%	329	\$127.1896	\$0.3866	
@ Load Factor of	100%	365	\$127.1896	\$0.3485	
Interruptible @ 100% LFR	100.00%	365	\$127.1896	\$0.3485	\$0.0335

Variable Gas Supply Cost			Average Cost per DT	Estimated Imbalance Percentage	Variable Cost per DT
Variable Commodity Rate			\$0.0147	9.60%	\$0.0014

Development of Interruptible Balancing Service Rate				
Fixed Capacity Rate per DT			\$0.0335	
Variable Commodity Rate per DT			\$0.0014	
Total Balancing Service Rate per DT			\$0.0349	
Total Balancing Service Rate per Mcf			\$0.0361	
Total Balancing Service Rate per Ccf			\$0.004	

TARIFF SHEETS

RATE SCHEDULE "LVS"

**LARGE VOLUME SERVICE
(Continued)**

TRANSPORTATION AND BALANCING SERVICE

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service rate applied to all gas consumption.

Balancing Service Rate: \$0.060 per Ccf of gas consumed

PUBLIC UTILITIES TAX

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

PAYMENT TERMS

Bills are due within ten (10) days of their date.

MINIMUM BILL

The minimum monthly bill under this rate schedule is the customer charge.

SPECIAL TERMS AND CONDITIONS OF SERVICE

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

Issue Date: September 2, 2008

Effective Date: For Service Rendered on and after November 1, 2008

Authorization:

RATE SCHEDULE "HLFS"

**HIGH LOAD FACTOR SERVICE
(Continued)**

TRANSPORTATION AND BALANCING SERVICE

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the customer is subject to the following Firm Balancing Service rate applied to all gas consumption

Balancing Service Rate: \$0.019 per Ccf of gas consumed

PUBLIC UTILITIES TAX

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

PAYMENT TERMS

Bills are due within ten (10) days of their date.

MINIMUM BILL

The minimum monthly bill under this rate schedule is the customer charge.

SPECIAL TERMS AND CONDITIONS OF SERVICE

- (1) Service under this rate is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

Issue Date: September 2, 2008

Effective Date: For Service Rendered on and after November 1, 2008

Authorization:

RATE SCHEDULE "ITS"

INTERRUPTIBLE TRANSPORTATION SERVICE

AVAILABILITY

This rate schedule is available to any non-residential customer with annual consumption of at least 100,000 Ccf with facilities in operating condition capable of utilizing an alternative fuel due to the fact gas service provided is subject to complete interruption at any time during the year at the Company's option. The definition of an alternative fuel under this rate schedule shall be propane, fuel oil, or electricity. When applying for service under this Rate Schedule, the Customer is required to provide the Company, in writing, with the type and specific grade of alternative fuel utilized by the Customer. The Customer shall submit, within 30 days of any change in operations, written notification when such change affects its alternate fuel capability. Customer must also purchase all of its gas from or through a supplier of natural gas

DELIVERY SERVICE RATE

Customer charge: \$935.00 per month

The rate per Ccf of consumption shall be determined on an individual customer basis according to the nature of the interruptible service to be provided. This rate can be adjusted upon one (1) days notice to the Customer.

TRANSPORTATION AND BALANCING SERVICE

Customers must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing Rider General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rate, the Customer is subject to the following Interruptible Balancing Service rate applied to all gas consumption.

Interruptible Balancing Service Rate: \$.004 per Ccf of gas consumed

RATE SCHEDULE "GSR"

GAS SALES SERVICE RATES

FIRM SALES RATE SCHEDULES

The Gas Sales Service Rates applicable to the respective firm rate schedule, as listed below, will be applied to all customers served on that schedule based on a volumetric charge per Ccf (100 cubic feet). The Gas Sales Service Rates only apply to the respective firm rate schedules listed below and do not apply to the Interruptible Transportation Service, Transportation Service, Negotiated Contract Rate, and Interruptible Best Efforts Sales Service. The Gas Sales Service Rates will be calculated to the nearest tenth of a cent (.1¢).

The following lists the applicable Gas Sales Service Rates for the respective firm rate schedules as defined in this tariff:

<u>RATE SCHEDULE</u>	<u>GAS SALES SERVICE RATES</u>	
RS-1, RS-2, GS, MVS, LVS	\$1.466	per Ccf
HLFS	\$1.391	per Ccf
GLR and GLO	\$1.231	per Ccf

These rates are subject to change based on actual and estimated gas costs. The Company will file with the Commission a copy of these Gas Sales Service Rates at least sixty (60) days prior to the regularly scheduled adjustment date, which shall be each November 1.

The November 1 rates will be based on a projected twelve-month period of November through October (projected period). The rates computed under this rate schedule shall remain in effect for the projected period provided the latest estimated over collection does not exceed 4½% or the latest estimated under collection does not exceed 6% of the actual firm gas costs incurred to date along with the Company's latest firm gas cost estimates for the remainder of the over/under collection period (over/under period). The twelve-month period used for the calculation of the over/under period will be based on the actual nine months ended July 31 of each year and the projected three months ended October 31 of each year. If it appears that the use of these rates for the twelve-month over/under period will result in an over or under collection exceeding these limits, the Company shall apply to the Commission for revised rates to be effective until the next annual adjustment in the rates.

Issue Date: September 2, 2008

Effective Date: For Service Rendered on and after November 1, 2008

Authorization:

RATE SCHEDULE "LVS"**LARGE VOLUME SERVICE
(Continued)****TRANSPORTATION AND BALANCING SERVICE**

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the Customer is subject to the following Firm Balancing Service rate applied to all gas consumption.

Balancing Service Rate: \$0.060 per Ccf of gas consumed

Deleted: Firm

Deleted: .049

PUBLIC UTILITIES TAX

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

PAYMENT TERMS

Bills are due within ten (10) days of their date.

MINIMUM BILL

The minimum monthly bill under this rate schedule is the customer charge.

SPECIAL TERMS AND CONDITIONS OF SERVICE

- (1) Service under this rate schedule is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

Issue Date: September 2, 2008

Effective Date: For Service Rendered on and after November 1, 2008

Authorization:

RATE SCHEDULE "HLFS"

HIGH LOAD FACTOR SERVICE

(Continued)

TRANSPORTATION AND BALANCING SERVICE

Transportation service is available to commercial and industrial customers with annual consumption through one or more contiguous meters in a specific geographic location equal to, or greater than, 30,000 Ccf per year that choose to have their own gas transported through the Company's distribution system. Customers purchasing natural gas from a supplier, other than the Company, must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rates, the customer is subject to the following Firm Balancing Service rate applied to all gas consumption

Balancing Service Rate: \$0.019 per Ccf of gas consumed

Deleted: Firm

Deleted: .022

PUBLIC UTILITIES TAX

The Delivery Service, Gas Sales Service, Firm Balancing Service, and any other applicable rates or charges are subject to the Delaware Public Utilities Tax unless the customer is exempt from such tax.

PAYMENT TERMS

Bills are due within ten (10) days of their date.

MINIMUM BILL

The minimum monthly bill under this rate schedule is the customer charge.

SPECIAL TERMS AND CONDITIONS OF SERVICE

- (1) Service under this rate is subject to the standard terms and conditions of service as in effect from time to time under authority of the Public Service Commission of Delaware. It is also subject to the limitations stated under the "Availability" clause above.
- (2) Natural gas purchased hereunder is for the use of the customer in one location only and is not to be shared or sold to others except for retail sale as a fuel to natural gas vehicles.

Issue Date: September 2, 2008Effective Date: For Service Rendered on and after November 1, 2008

Authorization:

RATE SCHEDULE "ITS"

INTERRUPTIBLE TRANSPORTATION SERVICE

AVAILABILITY

This rate schedule is available to any non-residential customer with annual consumption of at least 100,000 Ccf with facilities in operating condition capable of utilizing an alternative fuel due to the fact gas service provided is subject to complete interruption at any time during the year at the Company's option. The definition of an alternative fuel under this rate schedule shall be propane, fuel oil, or electricity. When applying for service under this Rate Schedule, the Customer is required to provide the Company, in writing, with the type and specific grade of alternative fuel utilized by the Customer. The Customer shall submit, within 30 days of any change in operations, written notification when such change affects its alternate fuel capability. Customer must also purchase all of its gas from or through a supplier of natural gas

DELIVERY SERVICE RATE

Customer charge: \$935.00 per month

The rate per Ccf of consumption shall be determined on an individual customer basis according to the nature of the interruptible service to be provided. This rate can be adjusted upon one (1) days notice to the Customer.

TRANSPORTATION AND BALANCING SERVICE

Customers must have the natural gas delivered to the Company's city gate in accordance with the Transportation and Balancing Rider General Terms and Conditions provided on Sheet No. 43. In addition to the above Delivery Service rate, the Customer is subject to the following Interruptible Balancing Service rate applied to all gas consumption.

Interruptible Balancing Service Rate: \$ 004 per Ccf of gas consumed

Deleted: 005

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P.S.C. Del. No. 4

RATE SCHEDULE "GSR"

GAS SALES SERVICE RATES

FIRM SALES RATE SCHEDULES

The Gas Sales Service Rates applicable to the respective firm rate schedule, as listed below, will be applied to all customers served on that schedule based on a volumetric charge per Ccf (100 cubic feet). The Gas Sales Service Rates only apply to the respective firm rate schedules listed below and do not apply to the Interruptible Transportation Service, Transportation Service, Negotiated Contract Rate, and Interruptible Best Efforts Sales Service. The Gas Sales Service Rates will be calculated to the nearest tenth of a cent (.1¢).

The following lists the applicable Gas Sales Service Rates for the respective firm rate schedules as defined in this tariff:

RATE SCHEDULE

GAS SALES SERVICE RATES

RS-1, RS-2, GS, MVS, LVS

\$1.466 per Ccf

Deleted: 1.115

HLFS

\$1.391 per Ccf

Deleted: SFS

GLR and GLO

\$1.231 per Ccf

Deleted: 1.044

Deleted: ,

Deleted: , GCR, GCO

Deleted: 0.881

These rates are subject to change based on actual and estimated gas costs. The Company will file with the Commission a copy of these Gas Sales Service Rates at least sixty (60) days prior to the regularly scheduled adjustment date, which shall be each November 1.

The November 1 rates will be based on a projected twelve-month period of November through October (projected period). The rates computed under this rate schedule shall remain in effect for the projected period provided the latest estimated over collection does not exceed 4½% or the latest estimated under collection does not exceed 6% of the actual firm gas costs incurred to date along with the Company's latest firm gas cost estimates for the remainder of the over/under collection period (over/under period). The twelve-month period used for the calculation of the over/under period will be based on the actual nine months ended July 31 of each year and the projected three months ended October 31 of each year. If it appears that the use of these rates for the twelve-month over/under period will result in an over or under collection exceeding these limits, the Company shall apply to the Commission for revised rates to be effective until the next annual adjustment in the rates.

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Authorization: